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Donor Coordination - the External Partners – GOM Technical Meeting:

The month of February was highlighted by the run-up to and then the actual convening of the “External Partners – GOM Technical Meeting” in Ulaanbaatar on February 28 and March 1. Led by the World Bank and attended by a wide array of bilateral and multilateral donors, this was the first formal meeting of the GOM with the collective donor community since the November 2003 Consultative Group meeting. Minister of Finance Bayartsaikhan led the GOM delegation; World Bank Country Director David Dollar presided over the meeting on behalf of the donors. Topics discussed included the linkages between Mongolia’s plethora of existing and proposed “strategic” planning documents and the Millennium Development Goals (MDGs); fiscal sustainability and debt management; possible measures to eliminate red tape and fight corruption; and donor harmonization. There was no pledging; donors stressed before and during the meeting that this was not a Consultative Group. The U.S. delegation, led by Ambassador Slutz, was among the most vocal in pushing for the GOM to commit to specific actions in the next six months to improve transparency and openness (particular in the operations of the Bank of Mongolia) and to combat corruption. At the conclusion of the event, all parties resolved to meet again in early September to continue the dialogue and review the status of actions taken in response to the verbal commitments made during these sessions. For those of you with access to the Department of State’s Sensitive But Unclassified (SBU) cable system, a detailed account of the meeting is provided in Ulaanbaatar MRN 187.

Political Update:

On the political front, events during February were dominated by the uncertainty surrounding the future direction and leadership of the Democratic Party (DP). Having accepted responsibility (if not blame) for the collapse in January of the Grand Coalition government led by Prime Minister (and DP member) Ts. Elbegdorj, Party Chairman R. Gonchigdorj had announced his intention to resign. A meeting of the DP’s National Consultative Council on February 27, however, declined to immediately accept his resignation. The DP constitution allows two bodies to choose the party head: the 1000-member party congress; or the 250-member National Consultative Council, subject to confirmation by the next party congress. While reports had been that the National Consultative Council would accept Gonchigdorj’s resignation and immediately vote on his replacement -- with recently-ousted Prime Minister Elbegdorj as the likely choice -- the body opted instead to convene a special party congress to make the decision. The party congress will meet on March 30-31.

USAID PROGRAM NEWS

STRATEGIC OBJECTIVE 1: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic, Financial, and Trade Policy Support

Tax reform

Tax reform. EPRC has begun collecting tax data for 2005. Further work is being done in the area of comparative fiscal analysis in order to provide the Parliamentary Tax Working Group (PTWG) with information requested about tax systems and tax reforms in other countries.

The project team also continued work on draft model VAT and excise laws as requested by the PTWG when Parliament was in session last December. EPRC will supply English and Mongolian drafts to the Ministry of Finance (MoF), and Parliament Standing Committees on Economic Policy and on the Budget.

Tax reform facilitation. Project staff began a series of meetings with new GOM counterparts who will be key actors in the enactment of tax reform measures. EPRC met with the new Minister of Finance and with the Chairs of the Standing Parliamentary Committees on Economic Policy and on the Budget.

National accounts and informal/shadow economy. Project staff continued working on the shadow economy data using data from the 2004 household survey in order to incorporate them into the national accounts and reconcile with other data that the National Statistics Office (NSO) collects as well as with the SAM (social accounts matrix). This work will result in corrections and adjustments to all of Mongolia's main macroeconomic indicators. The results of EPRC's analysis suggest that in 2004, the Gross National Income (GNI) of Mongolia grew faster than the official Gross Domestic Product (GDP) because of a large increase in the inflow of remittances of income earned abroad. Also, in 2004, real household expenditures in the formal (monetized) economy shrunk while consumption generated by the informal (subsistence) economy grew by about 20 percent.

Other work with the NSO. The basis for EPRC's work with the NSO is a formal Memorandum of Understanding (MOU) signed between the NSO and EPRC in October 2005. At the request of the NSO the EPRC team has begun elaborating concepts for revising the GDP figures and all other major economic indicators for Mongolia for the period 2000-2005. The incorporation of different kinds of the "shadow", including both the "formal" and "informal" shadow, will lead to an upwards revision of all main economic aggregates. This work involves a number of joint subprojects, including internal reconciliations of national statistics and improvements in their publication in the annual "Mongolian Statistical Yearbook". One important correction worth mentioning concerns the publication of annual inflation figures. The officially published indexes for 2004 and 2005 (11.0 percent and 9.5 percent) express the December-to-December changes. The annual consumer price indexes (CPIs) for these two years were in fact 8.3 percent and 12.8 percent.

Cluster and Business Development Support

Tourism

Tourism Training/Professional Development. Indraa Bold, EPRC tourism specialist, held two workshops on recent trends in the global tourism industry. Twenty-four companies attended the workshops which highlighted the increasing importance of the internet in travel marketing, and how Mongolia can take advantage of the developing trend for the fifty-plus group ('baby boomers') to travel extensively in their early retirement. Ms. Bold also participated in an EGAT USAID training program, "Implementing Sustainable Tourism Projects", held in Tanzania on 20–24 February.

Tourism Survey Results Published. The project has published the results of the 2005 tourism survey in Mongolian. Hard copies are being distributed and the results are also available on the EPRC website.

Natural Fibers

Cashmere linkages with US. The project, working through the Fibermark Society and the Business Development Fund, organized and accompanied a cashmere trade mission to the USA. The mission, which took place on February 18-24, comprised four cashmere companies, Altai Cashmere, Eermel, Gobi Corp. and the Mongolian Cashmere and Camel Wool Company. The group participated in the ASAP Global Sourcing Show, the US' foremost sourcing exhibition, and met buyers from major brand holders and cashmere merchants. Two companies went on to New York to follow up leads generated in Las Vegas. George Segal, the EPRC intermediary based in New York, will follow up on leads over the next month.

Cashmere linkages with UK and Europe. EPRC continues to generate interest in cashmere in the UK and Europe through its London-based intermediary. Apart from the orders reported in last month's Monitor, three household brands have placed further requests for samples.

Business Development Fund. The Business Development Fund is currently supporting two cashmere companies to install new plants and upgrade existing equipment to meet the challenges accruing from the growing interest in Mongolian cashmere. Since September 2005, \$2.5 million has been invested in the industry.

Meat

Chicken processing. The project team will advise a leading poultry producer on the development of a chicken meat processing and packing plant; the estimated investment is approximately US\$ 500,000. The company is already Mongolia's largest egg producer, supplying about one third of domestic demand. Nearly all chicken meat consumed in Mongolia is imported from Russia. Depending on the results of a feasibility analysis done with project assistance, EPRC may consider additional support through the Business Development Fund (BDF).

Finance

SME Private Equity Fund. EPRC assisted Mongolia International Capital Corporation (MICC) in its negotiations with Aureous Capital. Aureous manages over 40 SME funds in developing countries, including several in Asia in which the Asian Development Bank is the lead investor. In February the major terms of Aureous' participation in the proposed Mongolian fund management company were agreed. Aureous will now generate a Memorandum of Understanding, and together with ADB, will come to Mongolia in March to commence due diligence on a proposed \$25 million fund to invest in Mongolian SMEs.

Housing Finance. Working with a number of banks, the Millennium Challenge Corporation and the Mission, the project team explored the possibility of using USAID Development Credit Authority (DCA) guarantees to facilitate small incremental loans to ger area families to upgrade

their properties, in particular for basic electricity, water and sewage connections and installation of environmentally friendly heating appliances. While the banks would welcome the prospect of the guarantees, several banks have already started to make such loans and are expanding this activity. In consultation with the Mission and MCC, EPRC concluded that the provision of the guarantees would not contribute significantly to the development of the housing finance market. Project resources will focus instead on working with private banks interested in establishing a proposed Housing Finance Corporation to facilitate the development of the primary and, eventually, secondary mortgage markets.

Energy Sector Support

Energy regulatory reform, market and tariff design advisor. On February 13, Mr. Russel C. Brown joined EPRC as a short-term expert. Consistent with the recommendations of the mid-term project evaluation of November 2005, EPRC is recruiting a long-term advisor with expertise in regulatory reform, market and tariff design, and energy sector planning.

Market rules. With the assistance of Mr. Michael Bekker, the EPRC team prepared a preliminary draft of market rules for a bilateral market system to replace the current single-buyer market system. Mr. Bekker will assist EPRC again in March to develop the model further and hold meetings with key energy counterparts. To complement this work on proposed rules for a bilateral market system, EPRC will also engage additional international short-term technical expertise in March to study the technical capabilities of the National Dispatch Center to manage the envisioned market structure.

Concession Law. The Ministry of Justice appointed a new lead contact to complete the drafting of the stand alone concession law. The project team will work with him after he becomes familiar with the concession framework and past activities.

Public Education/National Dialogue Support

Progress report on the second edition of Essential Business Laws: Project staff completed work on producing for the first time electronic versions of sixty investment and taxation treaties that Mongolia has signed. Under the internship program with the National Legal Center (NLC) the project now has fifty-four laws updated with all amendments in English and Mongolian. During March these translations will be reviewed for consistency and legal accuracy.

The Gobi Initiative Phase II ***Mercy Corps International and PACT***

Capacity of Local Business Advisors Increased. Business plans have been finalized with all 170 herder clients. As a clear indication of the value of the project objective of enhanced local (provincial) capacity to provide business development/advisory services, all of the plans of MNT 3.0 million (approximately \$1,600) or less were fully managed and approved by Aimag (province)-level staff.

Clients Apply for MNT 44.5 M in Loans. Sales during the month totaled MNT 30.1 million (\$25,300) which included some of the stored products from 2005. A total of 16 herder groups/cooperatives applied for commercial loans totaling MNT 44.5 million (\$37,400) to finance their business plans.

Dairy Workshops Held. In collaboration with the USDA-funded RASP Program, three workshops were conducted on dairy cattle nutrition and breeding management, advanced “aaruul” (curd) production, and, for milk market food safety testers, the latest practices for testing milk and dairy products.

Financial Recordkeeping Improved. In an effort to improve business financial recordkeeping and accountability, the project has developed a new business and financial records book. The design and content of the book were done in cooperation with both clients and local CPAs. The next step in the process will be to train at least one member of each cooperative on how to complete the book, maintain an accurate balance sheet, and prepare Government tax reports.

The Growing Entrepreneurship Rapidly (GER) Initiative

CHF International

In February, 87 businesses were improved or expanded, 11 new startups were created, 84 people were matched to jobs, and 71 new job placements were generated. CHF has focused on business monitoring over the past two months and has found that many job placements were generated due to business expansions.

Training and Consulting. The level of vocational training and business consultancies expanded significantly in February. This month training and consultancies were provided in restaurant hygiene, pig production, knitting design, felt, carpentry, chicken farming, composting and greenhouse construction by one international and seven local consultants. In Choibalsan, in coordination with a local project from the Khan Uul School, GER provided business planning training to 20 clients following which 12 of those clients successfully applied for no interest start-up loans with money provided by the Australian Embassy through a VSO volunteer. In total, GER provided consulting services to 336 clients and business training to 378 clients this month.

Financial Services. GER facilitated 96 loans worth \$79,658 in February. This includes 12 Capital Augmentation Fund (CAF) loans worth \$7,416. The average loan amount was \$837, with an average term of 10 months. To date, GER has facilitated 3,119 loans valued at over \$2.9 million, including 421 CAF loans valued at over \$295,000. As of the end of February, 22 of the 705 outstanding facilitated loans in the portfolio are in arrears, and 7 of 185 outstanding CAF loans in the portfolio are in arrears. For the life of the project, there are five defaults in facilitated loans, and one defaulted CAF loan.

Information. In February, 338 clients accessed information services. In Darkhan, GER met with the director of the Land Office to discuss land privatization outcomes. According to GOM records, 61% (3362) of the 5,551 eligible households have privatized their land. In March, a Land Office official will attend a ger resident meeting to answer the questions of those who have not yet privatized. The UB Bayangol branch organized a workshop in Chingeltei 9th khoroo (neighborhood) where many people have problems with land. Around 50 people participated in the event. A big argument arose because, according to the city plan, this area is to be "Ger Area Free." The plan is that new apartments or buildings will be built in this area. Right now, over 100 people live in single family housing units there. They do not know what will happen to them under the new plan. The Land Officer is not responsible for the plan and could not respond to the people's complaints. In UB, GER has identified more than 20 clients who have unsafe electrical wiring. Project staff are working on getting an electrician to assist clients in remedying their problems before they have a fire.

Linkages. Input and sales linkages were down this month. There were 29 companies purchasing goods and services from forty six GER clients. The total value of sales linkages was \$5,303. New sales linkages were made with LLX Mongolia, Bayangol Hotel, Western Prospectors, and the Darkhan Metallurgical Plant (DMP). The DMP will purchase work gloves and brooms from GER clients on an ongoing basis. Their first order consists of 4,000 pairs of gloves and 100 brooms. Twenty one companies were involved with input linkages for the month and 51 GER clients benefited from these relationships. The total estimated savings to clients was \$1,142. GER has facilitated input linkages with Coviin Tulsh, a coal company, Altan Taria, and Boroo Gold. Boroo Gold provided a Darkhan carpentry client with 120 metal barrels.

GER has received three requests in the past few months from Americans who want to sell Mongolian slippers in the U.S.. In response, project staff finished a draft 'Export Guide' which explains costs and customs regulations for shipping GER Initiative clients' products to foreign countries. GER also completed a catalog which has information about clients' products and handicrafts. As the number of trade fairs in which GER clients are invited to participate is increasing, project staff also wrote a draft Exhibition and Trade Show Policy with post-event evaluation.

Business Associations. GER provided 37 different types of services to 33 business groups, involving 206 people. There are 38 active business groups that are working with the GER Initiative including two new groups in Ulaanbaatar. In Ulaanbaatar, 28 stove producers created an NGO called the United Association of Mongolian Stove Producers. Their goals are to share resources to reduce stove emissions, improve quality standards, and improve heat efficiency. The Darkhan Soum Governor held a meeting of pig farmers after visiting one of the members of the Pig Farmers Association that the GER Initiative helped establish. Thirty three members of the Pig Farmers Association attended as well as the Food and Agriculture Department, the Darkhan Meat Factory, Veterinary Companies, the Households Sustainable Living Project, and the GER Initiative. GER Initiative staff gave a presentation about their activities in pig farming and business association development. Representatives of the Pig Farmers Association explained the farmers' problems and the current situation of the Association. The Darkhan Soum Governor promised that the Soum will work closely with the Association and will provide financial support for the Association's rent and manager's salary for one year.

Employment Services. GER matched 84 clients with employers in February. GER established new relationships with nine companies, including BSB Electronics. In Erdenet, GER began working with the Israel-Mongolia Joint Molybdenum Company and matched an accountant to this Company. Project staff hope to expand this relationship and, through it, to begin working with the Erdenet Copper Mine. This month, 17 of the 19 GER clients that have been placed at the Erdenet Carpet Company as apprentices will become full time employees. Based on this result, the Carpet Company hired 10 additional GER clients.

Comparing GER employment data for 2004 (1464 people placed in jobs) to 2005 (1661 people placed in jobs), average starting salaries increased 2% overall from 52,137 MNT to 53,321 MNT (about \$45) a month. By city, in Darkhan salaries increased 4% (46,779 to 48,591), in Erdenet 5% (47,954 to 50,450), and in Ulaanbaatar 11% (66,367 to 74,875). Salaries fell by 4% in Choibalsan (41,169 to 39,368).

STRATEGIC OBJECTIVE #2

MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

Judicial Reform Project (JRP) ***National Center for State Courts (NCSC)***

Prosecutors' Australian Study Tour Completed. The Prosecutor General of Mongolia and leading administrators in the Prosecutor General's Office attended a study tour in Australia, February 13th-23rd. They were given an in depth study of the operation and administration of the Office of the Director of Public Prosecutions for New South Wales in Sydney. Subjects included management structures, policies and performance measures, in-house training, automation and data collection, community outreach and public relations, relationships with the police, and development and management of the budget. The group also visited the Office of the Director of Public Prosecutions for the Australian Capital Territory and the Director of Public Prosecutions for the Commonwealth to get a perspective on offices of different sizes and functions. The Deputy

Director of Public Prosecutions for the Commonwealth also addressed issues such as extradition and mutual assistance.

Court Observation Program Expanded to Include Rural Courts. The court observation program of Ulaanbaatar courts so impressed Chief Justice Batdelger that he requested that rural courts be observed so that the nationwide results could be used to support a series of changes to GCC regulations and legislative changes that would improve the function and “user friendliness” of the courts.

Website for Special Investigative Unit to be Created. The JRP has signed a contract with the website design firm Novum to design a website for the Special Investigative Unit. The Website will allow people to get information and make anonymous complaints about police, prosecutors or judges whom they suspect of committing crimes.

JRP Expert Addresses Budget Issues. The JRP expert on court budgeting, John K. Hudzik, prepared responses to budget issues raised by the Chairman of the GCC, who is seeking legislative changes. The issues addressed include judicial independence and transparent budgeting.

Report Finds Methods for Training Rural Judges Cost Effective. The JRP finished a report on rural training conducted in 2005. This evaluated the system of training rural judges and other lawyers to train their colleagues in the aimags. It has been found to be the most cost effective way of getting continuing legal education to the countryside. The evaluation was largely positive. It pointed to the need for the NLC to continue to train trainers and recruit new trainers.

Memorandum Recommends Knowledge of Ethics, Integrity be Considered in Choosing Judges. JRP’s Susanne DiPietro wrote a memorandum recommending that the Judicial Professional Committee expand its definition of judicial qualifications to include more knowledge of ethics, integrity, and temperament. The memorandum has been translated and presented to the Chief Judge.

Increased Media Access to Courts Recommended. At request of GCC staff, Ms. DiPietro also researched policies on media access to court proceedings in US courts, reviewed proposed revisions to the Mongolia Court System media access policy, and made informal recommendations. The proposed revisions support increased media access, but Ms. DiPietro also recommended that, in addition to broadening the access language, regulations be drafted which presume that media will be allowed in the courtroom unless the judge presiding over the trial makes specific findings on the record as to why media access would interfere with the administration of justice or violate a party’s legally protected privacy. The revisions will be considered at the GCC meeting in March.

Mongolian Electoral and Parliamentary Support Project (MEPS) *International Republican Institute (IRI)*

Plans for Cooperation with Women’s Partnership Discussed. In February, IRI held consultations with the organizers of the Women’s Partnership in Politics and Governance about the preparation of activities in 2006 and beyond. with the Women’s Partnership was represented in these discussions by Ms. Delgermaa (Chairwoman of Women’s Organizations of DP), Ms. Altai (Chairwoman of Women’s Organizations of MPRP), Ms. Bazar (Chairwomen of Women’s Organizations of the Civil Will Party) and Ms. Tsetsegmaa (Chairwomen of Women’s Organizations of Motherland Party). Opinions and ideas were exchanged on the activities planned in the framework of IRI Mongolia’s future women’s program. Specific ideas included IRI Mongolia-funded women’s regional trainings, a Women’s Forum Quarterly publication, and a Women’s Fellowship program. Also discussed was the idea of creating a “Women’s Forum” website.

IRI Meets MP to Urge Passage of Ethics Legislation. IRI Consulted with MP Sodnomtseren (DP), Chairman of the SGH Ethics Sub-Committee, and urged passage of the long anticipated ethics legislation pending before the SGH. IRI is also urging Chairman Sodnomtseren to hold open committee hearings, specifically on the draft of the MP's ethics rules once the spring session commences.

Parliamentary Legislative Priorities Discussed. The project discussed IRI's priority pieces of legislation in the spring session of the SGH with Ambassador Slutz, U.S. Embassy, and USAID officials. These priority pieces include ethics legislation, open committee hearings, public committee meetings, and implementation of recently passed Election Laws.

Mongolian Deputy Foreign Minister Meets IRI President. On 23 February Deputy Foreign Minister Tsolmon met with IRI President Lorne Craner and Vice President Elizabeth Dugan at the IRI Office in Washington.

Mongolia Anti-corruption Support Project (MACS)

The Asia Foundation (TAF)

Corruption Survey Launched. The Asia Foundation has launched a benchmarking survey that will assist in monitoring and evaluating the progress made by the GOM and civil society in combating corruption. With the local NGO San Maral Foundation and the Transparency International chapter-in-formation, The Asia Foundation will conduct semi-annual surveys to identify trends and patterns in the scope and incidence of corruption nationwide. The first study commenced on March 6, and preliminary results are due by the end of the month. A second survey will be conducted in the early fall.

Anti-corruption Public Awareness Proposals Received. TAF requested proposals for implementation of the public awareness and education component of the Anti-corruption program. A selection committee has been convened and is evaluating the proposals.

OTHER USAID PROJECTS IN MONGOLIA

Eastern Steppe Living Landscape Project

Wildlife Conservation Society (WCS)

The Mongolia Project's GIS and Remote Sensing specialist arrived in New York for a month of training with the WCS Living Landscapes Program staff. February was spent preparing for this visit and organizing the GIS database for the Eastern Steppe, an essential tool for conservation planning.

Policy and Action: Illegal Wildlife Trade

Wildlife Protection Program: Final preparations for a 2006 wildlife protection and training program in the Nomrog Strictly Protected Area of the Eastern Steppe are underway. The wildlife protection program will involve both State Border Defense Agency personnel and Protected Area rangers in a collaborative effort to protect wildlife and biodiversity in the park and its border regions.

Field Research/Living Landscapes Program

Landscape Species Selection: Collection of available data on a list of candidate species for the Landscape species selection process for the Eastern Steppe continued. This will be an ongoing process and is an important step in the identification of conservation landscapes based on the diverse ecological needs of key wildlife species and the geographic location and severity of wildlife/human conflict.

Threats Assessment: A preliminary database of the information collected on threats to wildlife through a series of participatory workshops and interviews is complete. The data will be used to monitor the effect of current and future interventions on the Eastern Steppe.

Gazelle Conservation Management Plan: This has been identified as a key output of the living landscapes project on the Eastern Steppe, and a series of maps and a description of the methodology used to create the plan have been compiled for circulation among the stakeholders.

Siberian Marmot Population Assessment: Methods for assessing marmot populations across the Eastern Steppe have been evaluated based on fieldwork conducted in the summer of 2005. A plan for continued monitoring and management is under development.

Avian Influenza: Surveillance for avian influenza in Mongolia's wild bird population is under discussion but the availability of funding and scope of this project has not been confirmed.

Training, Advocacy and Networking (TAN) Project *Mercy Corps International*

Community Mobilization. A "One Day in a Bagh" (ODB) event was held in Uvurhangai, bringing together around 400 residents of the 1st bagh (district) of Arvaikheer soum (county). During the event, bagh residents received information on the planned activities of the project, as well as information concerning the civil society organizations (CSOs) working in their aimag and the project-supported "Social Entrepreneur Support Initiative".

The TAN Project has trained 60 CSO representatives and community leaders from Khentii, Dundgobi, Uvurhangai, Arhangai and Bulgan in conducting bagh-level needs assessments. Following the training, the community mobilizers undertook a needs assessment in the 4th bagh of Herlen soum in Khentii (150 residents) and the 1st bagh of Arvaikheer soum in Uvurhangai (105 residents). The mobilizers received feedback on their performance and discussed improvements in their methodology. As a result of the assessment in Khentii, the following priority issues were identified by the residents: waste management, clean water, access to public services, greater civic participation in decision-making, and the need for a children's leisure center. As result of the assessment in Uvurhangai, the following priority issues were identified: alcohol abuse, unemployment, pre-schooling for children, and greater civic participation in decision-making.

CSO Network Capacity Building. Network meetings were convened in Arhangai (18 CSOs), Bulgan (20 CSOs), and Khentii (17 CSOs). Topics discussed included the network structure, overall goals and objectives, and annual plans. The CSO members developed annual meeting schedules, divided responsibilities for convening and facilitating network meetings, and identified network training needs.

Social Entrepreneur Support Initiative. In Uvurhangai, Mr. Ts. Lhagvadorj was recognized for his educational work among young people and soum residents on sound public management practices, civic participation in decision making, and civic rights and responsibilities. He set up two information gers in Khairkhandulaan soum and donated his own books and materials for public use.

PACT Community REACH HIV/AIDS Grant

PACT

Subgrant Signed with National AIDS Foundation. The National AIDS Foundation sub-grant was signed. PACT will soon take a field trip to visit partner organizations at work.

COUNTRY NEWS

Mongolia to Celebrate 25th Anniversary of First Trip to Space. Prime Minister M. Enkhbold has announced that Mongolia will celebrate the 25th anniversary of Mongolian citizen J. Gurragchaa's trip to space as part of the Soviet InterCosmos mission in March 1981. That mission made Mongolia the tenth nation to send someone into space.

Plan to Smuggle Tyrannosaurus Foiled. Local media report that two Chinese nationals living in Mongolia were recently caught attempting to smuggle a rare dinosaur fossil out of the country. The men had illegally purchased part of a tyrannosaurus skeleton, as well as eight fossilized eggs. Police would not say what part of the giant dinosaur the smugglers were caught with. The case has been turned over to the General Intelligence Agency.

National Camel Polo Festival Held. Mongolia's Dundgobi Aimag held the 2006 National Camel Polo Festival last month. The aim of the festival is to promote awareness and preservation of Bactrian camels, which are becoming increasingly rare in the world. More than 30 teams from various aimags and Inner Mongolia participated in the event. The event even stirred international interest, with one American reportedly buying 50 camels after the event and promising to breed the animals and introduce the game in America. Referees, however, noted that they were very lenient in calling penalties, due to the difficulty of controlling the unruly beasts.

Mongolia Women to Climb Mt. Everest. On February 12, it was announced that a team of four Mongolian women will climb the Everest Peak from Tibet--north side; moreover, they intend to fly nine State white flags of Chinggis Khan as a dedication to the 800th anniversary of the foundation of the Great Mongol State. In 2005, a team of Mongolian men climbed the Everest Peak from the south side and flew the state flag. These two climbs will set a new world record," said G.Osokhbayar, a state honored athlete and Head of the newly established Association of Mongolian Mountaineers.

Ger Areas' Population Increased By Five Percent. On February 14, the Montsame News Service reported that in 2005, a total of 30,200 people migrated from local areas to Ulaanbaatar, and 29,200 of them have already settled in the city's ger areas. Because of this, the number of residents in ger areas has increased by 5.5 percent. At present, official figures state that 952,410 residents live in the city; among them, 40.7 percent live in apartments and the remaining 59.3 percent in ger areas.